



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

13 JUL 2016

Dear

On 31 March 2016 you emailed the Ministry requesting the following information:

- *Copies of all Cabinet papers, Cabinet committee papers prepared by the Ministry (or jointly with other departments) which contains mention of the community investment strategy and/or community investment funding review since October 2015.*
- *Copies of all emails, correspondence, briefings, advice, reports, sent to the Minister for Social Development's office and/or the Associate Minister for Social Development's office from Murray Edridge and/or Brendan Boyle including reports delivered jointly with other public servants mentioning the community investment strategy and/or community investment funding review since October 2015.*

On 8 April 2016, a Ministerial and Executive Services official contacted you and it was agreed that your request would be refined to copies of all correspondence and reports where the main topic was the Community Investment Strategy from 1 January 2016.

I have enclosed three reports that were provided to Minister Tolley and Minister Goodhew's office:

1. Report titled '*Contracting Changes from 1 July 2016*', dated 15 March 2016.
2. Report titled '*Community Investment Strategy Implementation to June 2016*' dated 23 March 2016.
3. Report titled '*Progressing the Community Investment Strategy*', dated 30 March 2016.

These reports outlined the steps the Ministry is taking through to July 2016 to progress the Community Investment Strategy implementation, including changes to the contracting process from 1 July and the programs and services the Ministry contracts.

You will note that some information has been withheld under section 9(2)(f)(iv) of the Official Information Act as it is under active consideration. The release of this information is likely to prejudice the quality of information received and the wider public interest of effective government would not be served.

Some information is withheld under section 9(2)(g)(i) of the Act to protect the effective conduct of public affairs through the free and frank expression of opinions. I believe the greater public interest is in the ability of individuals to express opinions in the course of their duty.

Page 1 of 2

I have also enclosed the Cabinet paper titled '*Community Investment Strategy: Update on significant reprioritisation of funding from tranche of line by line reviews*' dated 31 March 2016. You will note some information is withheld under section 9(2)(f)(iv) of the Official Information Act as it is under active consideration.

I have enclosed three emails that provided recommendations during the drafting of the Cabinet paper:

4. Email – '*CI Cab Paper*', dated 24 March 2016.
5. Email – '*2016-03-30 Cab Paper Update on second tranche of line-by-line reviews-post Ministerial Consultation (2)*', dated 30 March 2016.
6. Email – '*URGENT Community Investment Strategy update report for Tolley*', dated 30 March 2016.

You will note that the names of some individuals are withheld under section 9(2)(a) of the Act in order to protect the privacy of natural persons. The need to protect the privacy of these individuals outweighs any public interest in this information.

The attachment in the emails is withheld under section 9(2)(g)(i) of the Act to protect the effective conduct of public affairs through the free and frank expression of opinions. I believe the greater public interest is in the ability of individuals to express opinions in the course of their duty.

I hope you find this information helpful. You have the right to seek an investigation and review of my response by the Ombudsman, whose address for contact purposes is:

The Ombudsman
Office of the Ombudsman
PO Box 10-152
WELLINGTON 6143

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bryan Wilson', written in a cursive style.

Bryan Wilson
Associate Deputy Chief Executive, Community Investment



Report

Date: 30 March 2016

Security Level: IN CONFIDENCE

To: Hon Anne Tolley, Minister for Social Development

Progressing the Community Investment Strategy

Purpose of the report

- 1 This report:
 - seeks your agreement to exit the contract for the South Canterbury Women's Wellness Centre
 - seeks your agreement to roll-over all Child, Youth and Family contracts which fall under the scope of the Modernising Child, Youth and Family Expert Panel review for one year.

Executive summary

- 2 The Community Investment Strategy focuses on providing effective social services for those with the highest needs. We are now eight months into a three year implementation programme, and significant progress has been made.
- 3 Line-by-line reviews have revealed that the majority of services reviewed in the second tranche align with the aims of the Community Investment Strategy. Line-by-line reviews are now in their final stages, and decisions need to be made regarding the roll-overs and exits that fall under your mandate.
- 4 Following tranche two, it was recommended that the Ministry exit 14 contracts, representing funding of \$373,254.
- 5 One of the contracts recommended for exit is the South Canterbury Women's Wellness Centre, of which the Ministry funds \$15,336 per annum. Minister Goodhew has advised that because this contract sits in her electorate, you will decide whether to exit this contract.
- 6 Minister Goodhew is due to update the Cabinet Social Policy Committee on 6 April 2016, on tranche two of the line-by-line reviews and other components of the Community Investment Strategy. A further update to Cabinet will be provided in September 2016.
- 7 Tranche three of the line-by-line reviews is due to be completed in March 2016. This tranche contains contracts for family violence services, as well as contracts for Child, Youth and Family services and other contributory funding.
- 8 Community Investment has had discussions with the Modernising Child, Youth and Family Expert Panel Secretariat and the Deputy Chief Executive for Child, Youth and Family, and will continue with the line-by-line work programme for Child, Youth and Family services. However, any service redesign will not be progressed until decisions have been made following the Expert Panel's review of Child, Youth and Family.
- 9 We recommend that the contracts which fall under the scope of the Expert Panel's review be rolled-over for one year, subject to business-as-usual performance

requirements. This will allow time to ensure contracts are reviewed and align with Ministerial decisions following the Expert Panel's review.

Recommended actions

It is recommended that you:

- 1 **agree** to exit the contract for the South Canterbury Women's Wellness Centre, totalling \$15,336 of Community Investment funding

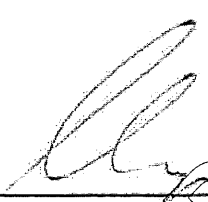
AT Agree / Disagree

- 2 **agree** to roll-over contracts that fall under the scope of the Modernising Child, Youth and Family Expert Panel's review for one year, subject to business-as-usual performance requirements

AT Agree / Disagree

- 3 **agree** to send a copy of this report to the Associate Minister for Social Development.

Agree / Disagree



Murray Edridge
Deputy Chief Executive
Community Investment

30 March 2016.
Date



Hon Anne Tolley
Minister for Social Development

30-3-16.
Date

Background

- 10 The Community Investment Strategy focuses on providing effective social services for those with the highest needs. We are now eight months into a three year implementation programme, and significant progress has been made.
- 11 Line-by-line reviews, which have been undertaken using an established methodology, have revealed that the majority of services reviewed in the second tranche align with the aims of the Community Investment Strategy, including targeting vulnerable people. Line-by-line reviews are now in their final stages, and some decisions have already been made by Minister Goodhew about exiting contracts. Further decisions now need to be made regarding the roll-overs and exits that fall under your mandate.
- 12 Other work programmes are currently underway that impact the line-by-line work. This includes the work programme of the Ministerial Group on Family Violence and Sexual Violence and the work being done by the Modernising Child, Youth and Family Expert Panel.

We are seeking your agreement to exit the South Canterbury Women's Wellness Centre contract

- 13 Since Minister Goodhew's report to the Cabinet Social Policy Committee in December 2015, the Ministry of Social Development (the Ministry) has completed line-by-line reviews of services that represent over 50 percent of the total Strategy funding of \$315.285 million (F2015/16 Community Investment and Child, Youth and Family contracting appropriation). Of this total funding, approximately \$100 million is under Minister Goodhew's mandate.
- 14 Line-by-line reviews are undertaken systematically, using an established methodology to assess the extent to which programmes and services:
 - align with the Government's priority result areas as set out in the Strategy
 - are evidenced as being effective
 - are well targeted at a geographic and population level
 - duplicate and over-supply, or result in gaps and under-supply.
- 15 Following tranche two, it was recommended that the Ministry exit 14 contracts, representing funding of \$373,254. These contracts range in size from \$4,093 to \$124,293. Of these, three are national contracts and 11 are regional ones. We anticipate that regional contributory funding exits, although comparatively small, will have some impact on the viability of small providers. The Ministry is working with affected providers to minimise these risks.
- 16 One of the contracts recommended for exit is the South Canterbury Women's Wellness Centre, of which the Ministry funds \$15,336. Minister Goodhew has advised that because this contract sits in her electorate, you will decide whether to exit this contract. The information relating to this contract and the provider, and the rationale behind the recommended exit, is attached in Appendix One.
- 17 Funding released by exiting these services will be moved to effective services that strengthen Government priorities. Importantly, funding released at a regional level will be reprioritised within that region, rather than being moved to a national service or to other regions.
- 18 Following the decisions to exit contracts, we will focus on letting providers know about the changes they will see in their contracts from 1 July 2016. Reviewing remaining services funded by Community Investment
- 19 Tranche three of the line-by-line reviews is due to be completed in March 2016. This tranche contains contracts for family violence and sexual violence services, as well as contracts for Child, Youth and Family services.

We are seeking your agreement to roll-over contracts under the scope of the Modernising Child, Youth and Family Expert Panel review for one year

- 20 Community Investment has had discussions with the Modernising Child, Youth and Family Expert Panel Secretariat and the Deputy Chief Executive for Child, Youth and Family, and will continue with the line-by-line work programme for Child, Youth and Family services. However, any service redesign will not be progressed until decisions have been made following the Expert Panel's review of Child, Youth and Family.
- 21 We recommend that the contracts which fall under the scope of the Expert Panel's review be rolled-over for one year, subject to business-as-usual performance requirements. This will allow time to ensure contracts are reviewed and align with Ministerial decisions following the Expert Panel's review.
- 22 The Child, Youth and Family contracts to be rolled over include:
- Caregiver Support & Training (\$274,000)
 - Courses and Training (\$300,000)
 - Transition from care to independence (\$1,638,247)
 - Gateway (\$3,882,384)
 - Services for Children in Care (\$3,920,327)
 - Bednights – a child's placement (\$24,547,921)
 - Post Investigation - support required – core (\$2,711,233)
 - Support Services Post Investigation (\$1,424,833)
 - Care and Therapeutic Services (\$176,000)
 - Multi-Systemic Therapy and Functional Family Therapy (\$1,423,200)
 - Multidimensional Treatment Foster Care (\$1,684,003)
 - Teaching Family Homes (\$1,665,011)
 - Youth Services Strategy (\$14,597,638)
 - Residential programmes for sexual abusers (\$2,921,244)
 - Services for Harmful Sexual Behaviour (\$3,347,697)
 - Fresh Start - Youth Justice Family Service Plan Payment (\$992,023)
 - Fresh Start Alcohol and Drug Residential Programmes (\$1,004,000)
 - Fresh Start Supervision with Activity (\$4,983,037)
 - Fresh Start - Supported Bail (\$2,466,426)
 - Fresh Start – Programmes (\$5,135,392)
 - Specialist Youth Services Corps (\$903,591)
 - Youth Justice Health Assessments (\$26,613)
 - Military Style Activity Camps (\$TBC)
 - Towards Wellbeing (\$1,903,274)
 - Support packages, including respite care (\$3,813,389)
 - Enhanced Caregiver Support (\$361,975)
 - Blueprint Investment Strategy support for parents (\$528,000).
- 23 This list, totalling \$86,631,458, is not exhaustive and figures are subject to change.

Next steps

- 24 Minister Goodhew is due to report to the Cabinet Social Policy Committee on 6 April 2016 on reprioritisation of funding following the second tranche of the Community Investment line-by-line reviews. Minister Goodhew will provide a further update to Cabinet in September 2016 on progress with the Community Investment Strategy.

File ref: A8744790

RELEASED UNDER THE
OFFICIAL INFORMATION ACT

Appendix One: South Canterbury Women's Wellness Centre

Purpose

- 1 The South Canterbury Women's Wellness Centre (SCWW), based in Timaru, is a drop-in centre providing information and referrals for physical, mental and spiritual health. It promotes preventative and positive healthcare, and personal growth through individual and group support.
- 2 SCWW receives \$15,336 per annum in contributory funding for Information and Advice. The Ministry provides 40 per cent of total income received. Other funding comes from:
 - the Department of Internal Affairs
 - Mid and South Canterbury Trust
 - other philanthropic organisations
 - donations via fundraising efforts.
- 3 The service does not align with current priorities or future direction for the Community Investment Strategy:
 - programmes offer low level support for women, including neurolinguistic programming and personal group support for women; this includes psychic workshops, meditation and mediumship
 - no client files are kept
 - staff have been included as attendees of programmes
 - most enquiries received are related to women's health.

Evidence and rationale

- 4 Our assessment against agreed criteria follows:

South Canterbury Women's Wellness Centre	
Is there evidence of:	
• Strategic alignment	No
• Theory of change	No
• Effectiveness	No
• Vulnerable target group	No
• Duplication	Yes

- 5 We consider that the majority of its clients are not vulnerable children, youth or adults, and do not align with our priority population target.

Impacts and Mitigation

- 6 The provider may need to cut back its services if it cannot secure alternative funding, and there may be some public interest if this service were to end.
- 7 Given other funding sources, we have no reason to believe the service will not continue to operate.
- 8 Community Investment will work with the provider and other funders to reduce impact.
- 9 The service is next door to Family Planning whose hours are more conducive to a wider range of women, and can fulfil enquires related to women's health.

Chair
Cabinet Social Policy Committee

COMMUNITY INVESTMENT STRATEGY: UPDATE ON SIGNIFICANT REPRIORITISATION OF FUNDING FROM SECOND TRANCHE OF LINE-BY-LINE REVIEWS

Proposal

- 1 This paper responds to the December 2015 Cabinet decision that:
 - invites me to update Cabinet's Social Policy Committee (SOC) on any significant reprioritisation of funding arising from the second tranche of the Community Investment Strategy (the Strategy) line-by-line reviews, before decisions are made and communicated to the sector
 - directs a report back to SOC before the end of May 2016 on further progress in implementing the Community Investment Strategy [CAB-15-MIN-0287 refers].
- 2 I recommend that Cabinet notes I have recommended the Minister for Social Development to continue funding of \$57.54 million for services and programmes that are under my mandate and which are aligned with the Community Investment Strategy (the Strategy), and to reprioritise funding of \$373,254 for 14 identified services and programmes.
- 3 I also ask Cabinet to note progress on other components of the Strategy.

Executive summary

- 4 The Strategy focuses on providing effective social services for those with the highest needs. We are now eight months into a three year implementation programme, and significant progress has been made.
- 5 I reported to Cabinet in December 2015 on the first tranche of line-by-line reviews of services. This paper reports on the second tranche of reviews, and updates progress on other priority components of the Strategy.
- 6 We are aligning services with Children's Teams, and are working with Te Puni Kōkiri to transfer relevant funding and services to Whānau Ora.
- 7 Line-by-line reviews, which have been undertaken using an established methodology, have revealed that the majority of services reviewed in the second tranche align with the aims of the Community Investment Strategy, including targeting vulnerable people. In some cases, amended contracts will further sharpen the focus on the most vulnerable.
- 8 Within my mandate I have services funded at approximately \$100 million. As a result of assessment in the second tranche of these reviews, I have agreed to continue funding of \$57.54 million for those programmes and services reviewed in tranche two and which are under my mandate. I have also agreed to exit funding of \$373,254 for 14 services, ranging in size from \$4,093 to \$124,293, that do not address the Strategy's aims. These include regional contributory funding exits, which may have some impact on the viability of small providers.

- 9 Funding released from these exits will be reprioritised and directed to effective services that address Government priorities. Funding exited at a regional level will be reprioritised within that region. Service providers with contracts being exited will be advised of other opportunities for government funding.
- 10 I have engaged with Ministerial colleagues and Members of Parliament on these exits. The Ministry of Social Development (the Ministry) will communicate with affected providers during April 2016. Strategies are in place to minimise risks.
- 11 A number of other Strategy components have also been advanced, and I summarise progress on these. They relate to:
- 11.1 developing results-based performance measures and collecting client data
 - 11.2 redesigning contracts
 - 11.3 renewing contracts
 - 11.4 communicating with providers
 - 11.5 engaging communities and stakeholders
 - 11.6 supporting provider capability
 - 11.7 developing information and communications technology (ICT) infrastructure.
- 12 I will provide a further update to Cabinet in September 2016 on progress with the Community Investment Strategy.

Background

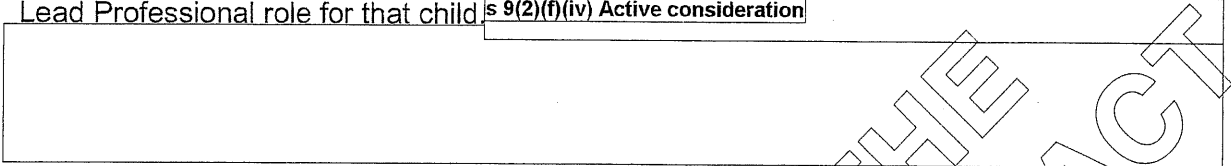
- 13 The Strategy aims to ensure that social services purchased for vulnerable children, young people and adults are targeted to those with the highest needs, aligned to Government's top priorities, and based on the best available evidence. It also aims to ensure that purchasing processes are more agile, as well as being transparent to providers, communities and service users. An overview of service types included in the Strategy is attached as Appendix 1.
- 14 In December 2015, I provided Cabinet with an update on the Strategy [CAB-15-MIN-0287 refers]. That paper reported on changes resulting from the first tranche of line-by-line reviews, including better alignment of funding for services that have a close relationship to Children's Teams, and improvements to existing services. It also noted that current funding for non-government organisation (NGO) study awards would be directed towards services that more directly benefit communities.

We are now eight months into a three year programme to implement the Strategy, and significant progress has been made

We are aligning services with Children's Teams

- 15 Key practice frameworks and tools are being aligned. The Family Start assessment tool, for example, is now based on Tuituia, allowing a Family Start assessment to 'fit' within a Children's Team assessment without professionals and families having to repeat assessments. Work to align programme design is continuing across Social Workers in Schools (SWiS) and Family Start.

- s 9(2)(f)(iv) Active consideration s 9(2)(f)(iv) Active consideration
- 16 We are working with the Children's Action Plan Directorate to re-target investment in Family Start [redacted] This will ensure investments [redacted] are allocated in ways that support vulnerable children, and complement the work of Children's Teams.
- 17 The Ministry's expectation is that suitably qualified professionals, funded through Community Investment contracts, are available to take on the lead professional role for families referred to Children's Teams. For example, if a child, referred to the Children's Team is enrolled at a school with a SWiS social worker, then that social worker may be best suited to take on the Lead Professional role for that child. s 9(2)(f)(iv) Active consideration



- 18 In my earlier paper of 2 December 2015, I advised Cabinet that the Minister for Social Development would report back to Cabinet at a later date on proposals to reconfigure certain services to support the emerging system for vulnerable children [CAB-15-MIN-0287 refers]. I understand that the Minister for Social Development will be seeking some initial decisions in the next two months on how funding provided for the Parents as First Teachers and Family Start programmes could be better configured to support vulnerable children as a result of recent research on interventions and results-based contracts.

We are working with Te Puni Kōkiri with a view to transferring relevant funding and services to Whānau Ora

- 19 We are reviewing existing provider contracts to assess whether:
- 19.1 they can align with the Whānau Ora commissioning approach
 - 19.2 have proven experience in achieving Whānau Ora outcomes
 - 19.3 can empower whānau to achieve their aspirations.
- 20 Discussions continue on the approach to transferring agreed funding from Vote Social Development to Vote Māori Development. These discussions include potential operational impacts.
- 21 We are also developing a co-investment framework as a tool to increase the visibility of existing investments and identifying areas for potential growth.
- 22 Relevant Ministers are being briefed, and a paper will shortly be provided to Cabinet.

We have completed the second tranche of line-by-line service reviews

- 23 Since my December 2015 report, the Ministry has completed line-by-line reviews of services for over 50 percent of the total Strategy funding of \$315.285 million (F2015/16 Community Investment and Child, Youth and Family contracting appropriation). Of this total funding, approximately \$100 million is under my mandate.
- 24 Line-by-line reviews are undertaken systematically, using an established methodology to assess the extent to which programmes and services:
- 24.1 align with Government's priority result areas as set out in the Strategy
 - 24.2 are evidenced as being effective

24.3 are well targeted at a geographic and population level

24.4 duplicate and over-supply, or result in gaps and under-supply.

Line-by-line reviews confirm the majority of funded services are aligned with the Strategy's aims

- 25 In common with the first tranche of reviews, the second has confirmed the majority of our funding is in line with Government priorities, and aligned with the fundamental components of the Strategy. I am confident that we have a solid base of services, and competent providers to collaborate with as we move forward.
- 26 Reflecting my confidence in our service base, I have agreed to continue funding of \$57.54 million for tranche two programmes and services that are under my mandate. These are services which have been assessed as aligned with the Strategy priority results and targeted at vulnerable people (or require, and are capable of, modification to enable this).

A small number of currently funded services are not addressing the Strategy's aims and I have agreed that this funding will be exited and reprioritised

- 27 I have agreed to exit 14 contracts, representing funding of \$373,254. These contracts range in size from \$4,093 to \$124,293. Of these, three are national contracts and 11 are regional ones. I anticipate that regional contributory funding exits, although comparatively small, will have some impact on the viability of small providers. The Ministry is working with affected providers to minimise these risks.
- 28 I have spoken with Ministerial colleagues on these exits. The Ministry will communicate with affected providers during April 2016. Management and communication strategies for these are outlined below.
- 29 Funding released by exiting these services will be moved to effective services that strengthen Government priorities. Importantly, funding released at a regional level will be reprioritised within that region, rather than being moved to national service provision or to other regions.

Other Community Investment Strategy priorities until the end of June 2016

- 30 In this second part of the paper I provide you with a brief update on Strategy priorities until the end of June 2016. Those priorities relate to:
- 30.1 developing results-based performance measures and collecting client data
 - 30.2 redesigning contracts
 - 30.3 renewing contracts
 - 30.4 communicating with providers
 - 30.5 engaging communities and stakeholders
 - 30.6 supporting provider capability
 - 30.7 developing ICT infrastructure.

Targeted provider contracts will include results-based performance measures and client data collection

- 31 Performance measures, which align to the Results Measurement Framework, will be largely completed by the end of April 2016 for the following programmes and services: Family Start; Early Start; SWiS; Youth Workers in Secondary Schools; Multi Agency Support Services in Secondary Schools; Harmful Sexual Behaviour; Stand Children's Services (formerly known as Children's Health Camps); SKIP. Together with client data collection, these measures will be included in provider contracts from 1 July 2016. These contracts comprise 23.5 percent (\$76.91 million) of Strategy funding.

Redesigned contracts will reflect the things we are focused on improving

- 32 Improvements include using measures that align to the priority areas for vulnerable children, young people and adults, and focusing on collecting client data so we can better understand the results we are achieving.
- 33 From April to June 2016, the Ministry will be testing a contract redesign tool that will enable different procurement mechanism to be used across services, as well as to focus on continuous improvements of contracts. For example, we will be able to consider longer-term contracts for more specialised services, and more competition and shorter terms for less specialised ones. Tools will also include the way the service is purchased, priced and procured, and the agreement arrangements, such as reporting and contract length.
- 34 The Ministry is also considering potential new or amended clauses to support best management of contracts and protect service provision and client data. These include step-in clauses that will improve the Ministry's ability to ensure service continuity in the event that a provider fails to deliver. Other clauses relate to legal rights to require provider co-operation on disengagement, including transition of services and transfer of data; audit rights; and tighter clauses around reporting and financial consequences where the Ministry has concerns about provider solvency.

Contract renewal is progressing

- 35 Over 700 provider contracts expire on 30 June 2016, and others require contract variations resulting from Strategy decisions. The Ministry is managing this volume by identifying contracts with services that can be rolled over, and these providers will be communicated with as soon as possible. The roll-overs will include changes that improve provider performance to better meet the Strategy's focus, including the needs of the most vulnerable.

Providers are receiving regular, clear and timely communications

- 36 The major focus is on letting providers know about the changes they will see in their contracts from 1 July 2016, including through face-to-face meetings and online resources. Where possible, the Ministry will communicate with providers before the end of March 2016, in order to give 90 days' notice of changes. Timing of decisions may reduce this notification period, but the Ministry will still be able to give more than 60 days' notice to providers (the legal requirement is 30 days).
- 37 The Ministry will take a tailored approach to communications at a service and provider level. For example, when contracts with large national providers are being exited, messages will be delivered by the Deputy Chief Executive of Community Investment. Communications with providers who are contracted at a regional level will be handled by the Regional Manager. Service providers with contracts being exited will be advised of other opportunities for government funding.

- 38 The majority of the providers Community Investment works with are anticipating changes to contracts so that services are targeted towards the most vulnerable. They also understand the need to know more about what these services are achieving for their clients, through the introduction of Individual Client Level Data (ICLD) and results measures.
- 39 We expect concerns to be raised by providers of sensitive services (such as sexual violence) regarding the introduction of ICLD. We are working with these sectors and providers, and are likely to introduce ICLD with these providers later than others.
- 40 In regard to other issues, we expect that there will be some concerns raised from those providers where we are exiting services or funding, and we will tailor our communications approach to manage these. All providers will be contacted to let them know what is happening to their services. These communications will be based on a set of key messages, with tailored messages developed for those for whom changes will have particular effects.

Communities and stakeholders are being informed, involved and engaged in collaborative ways

- 41 The Ministry's approach to stakeholder engagement is to inform stakeholders about the Strategy, to involve them through sharing data and receiving information about priority populations, and to collaborate with them, using the Strategy as a framework for shared planning. This has included revitalising the Regional Community Forums to work alongside the Ministry on Strategy implementation.

Provider capability funding is focused on achieving and reporting on results

- 42 The Capability Investment Resource, totalling \$31.65 million over four years from 2012/13, is now in its fourth and final year. Just over \$2 million of the final year appropriation of \$4.3 million is being allocated to a range of providers to support various capability-building activities.
- 43 The remaining funding is being used on a training and support package for targeted providers who provide services to the most vulnerable. Funding is focusing on supporting them to achieve and report on results, through strengthening their organisational governance, including awareness of what it takes to work in an outcomes-focused way. In April 2016, the Ministry will be communicating with these providers about this approach and the available support, which will be progressively implemented over the coming year.
- 44 A longer-term capability strategy will support providers to focus on what works to achieve results, including client-centred service design, service evaluation and reporting on client results. This is being undertaken by the Ministry in partnership with Superu.

A data capture portal is being trialled and implemented

- 45 The portal will enable the Ministry to collect and analyse client data and results, beginning with a trial of data from three services (SWiS, Youth Workers in Secondary Schools, and Multi Agency Support Services in Secondary Schools) with results-based measures and client data in place from July 2016. This work will ensure that potential data security and privacy issues are identified and addressed.

Next steps

- 46 The Ministry is continuing work to review the remaining funded services. These will be completed by June 2016. Two types of services are included here:

46.1 Services subject to other work programmes and which are under the delegation of other Ministers. These services cover \$117.77 million of spend, and include those relating to the Children's Action Plan, transfers to Whānau Ora, Ministry of Youth Development services, and services under the work programme of the Ministerial Group on Family Violence and Sexual Violence.

46.2 Other services, valued at \$128.12 million, which still require line-by-line or policy reviews, or are awaiting evaluation results or decisions from other Ministers.

47 I will provide a further update to Cabinet in September 2016 on progress with the Community Investment Strategy.

Consultation

48 The Ministries of Education and the New Zealand Police have been consulted. The Ministry for Pacific Peoples and the Treasury have been informed.

Financial implications

49 I am reprioritising funding of \$373,254 within Vote Social Development resulting from exiting 14 service contracts.

50 Funding released by exiting these services will be moved to effective services that strengthen Government priorities. Funding released at a regional level will remain within that region.

Human rights implications

51 There are no human rights implications.

Legislative implications

52 There are no legislative implications.

Regulatory impact and compliance cost statement

53 A regulatory impact statement is not required.

Gender implications

54 The Community Investment Strategy has no specific gender implications. Funding exits include services focused on women. The Ministry of Social Development will work with providers and other funders to mitigate impact.

Disability perspective

55 The Community Investment Strategy is consistent with the Disability Action Plan. None of the funding exits specifically focus on people with disabilities.

Publicity

- 56 The Ministry will signal changes in advance and ensure that communications are timely and fit for purpose. Where contracts are to be modified or terminated, the Ministry is developing tailored communications' plans to respond to any significant issues as they arise. Communications with providers affected by exit decisions will be made in April 2016.

Recommendations

- 57 It is recommended that the Committee:
- 1 **note** that the Community Investment Strategy's second tranche of line-by-line reviews has identified the majority of our funded services are aligned with the Strategy's aims, and that I have agreed to continue funding for these
 - 2 **note** that the second tranche of the Community Investment Strategy's line-by-line reviews has identified a small number of services that are not aligned with the Strategy's aims, and that I have agreed to exit funding of \$373,254 for these services
 - 3 **note** that funding released by these service exits will be reprioritised within Vote Social Development to better reflect the Community Investment Strategy's aims, and that funding released at a regional level will be reprioritised within that region
 - 4 **note** that there is no change to appropriations resulting from recommendations 2 and 3 above, as exited funding will be reprioritised to better reflect the Community Investment Strategy's aims
 - 5 **note** that the Ministry of Social Development will communicate with affected providers during April 2016, that this process will be appropriately managed to minimise risk, and that key messages will be developed to respond to any media attention that may result
 - 6 **note** progress on other Community Investment Strategy priorities relating to developing results-based performance measures and collecting client data; redesigning contracts; managing contracts; communications; engaging communities and stakeholders; supporting provider capability; and developing information and communications technology infrastructure
 - 7 **note** that I will report to Cabinet in September 2016 on further progress with the Community Investment Strategy.

Hon Jo Goodhew
Associate Minister for Social Development

____ / ____ / ____



Report

Date: 15 March 2016

Security Level: IN CONFIDENCE

To: Hon Anne Tolley Minister for Social Development

Community Investment Strategy: Contracting changes from 1 July 2016

Purpose of the report

- 1 This report describes the ways in which Community Investment contracts will be different from 1 July 2016. Changes are being made to contract design and management which will contribute to the wider system change being brought about by the Community Investment Strategy.

Recommended actions

It is recommended that you:

- 1 **Note** that Community Investment is in the first year of the three year implementation of the Community Investment Strategy. Yes / No
- 2 **Note** that we now have a clear picture of what will be different about the procurement of social services from 1 July 2016. Yes / No
- 3 **Note** that by 1 July 2016, we will have: Yes / No
 - redesigned 209 contracts by resetting relevant procurement parameters based on market analysis
 - a tool for deciding how we go to market for different services
 - included results measures in contracts covering over 23% of funding in the Community Investment Strategy
 - established client level data collection in contracts covering 23% of funding in the Community Investment Strategy
 - introduced amendments to contracts where appropriate, to clarify Ministry, provider and client rights and interests.

4 **Note** that we will continue to progressively implement improvements to all contracts and services through until July 2018.

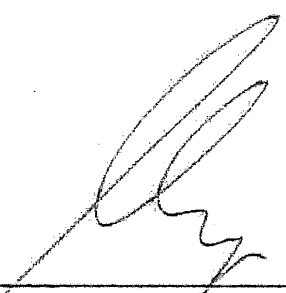
Yes / No

5 **Agree** to forward this report to the Associate Minister for Social Development.

Yes / No

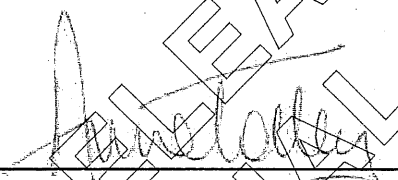
6 **Agree** to forward this report to the Minister of Finance.

Yes / No



Murray Edridge
Deputy Chief Executive
Community Investment

15 March 2016.
Date



Hon. Anne Tolley
Minister for Social Development

21-3-16
Date

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Background

- 2 The Community Investment Strategy (the Strategy) is a long term programme with a three year implementation period that began on 1 July 2015. Our focus to date has been on developing the process and tools to ensure the investment in social services is:
 - Client-centric
 - Targeted at the people that need it the most
 - Data and evidence-driven
 - Focused on results
 - Regionally-led and nationally supported.
- 3 Once the Strategy is fully implemented, we will have a clearer understanding of the return on Government's investment based on evidence of what does and doesn't work for our clients and their whanau. We will be able to align how we procure services with the realities of the market and providers will have more flexibility in how they tailor services to best meet the needs of their clients. The new approach to contract development and management will mean we will be really clear with providers and communities about what we are trying to achieve, how and how well things are going.
- 4 We are now better placed to provide an outline of what will be different about the procurement of social services at 1 July 2016, and in particular how these changes will be reflected in the contracting arrangements we enter into with service providers.

A number of different aspects of the contracts and the contracting processes are going to start changing from 1 July 2016

- 5 By 1 July 2016 we will have the following:
 - 5.1 redesigned 209 contracts by resetting relevant procurement parameters based on market analysis
 - 5.2 a tool for deciding how we go to market for different services
 - 5.3 included results measures in contracts covering over 23% of funding in the Community Investment Strategy
 - 5.4 established client level data collection in contracts covering 23% of funding in the Community Investment Strategy
 - 5.5 introduced amendments to contracts where appropriate, to clarify Ministry, provider and client rights and interests
- 6 These changes are discussed under the headings below. We can provide you with more detail on these changes on request.

We will have redesigned 209 contracts to take account of the market

- 7 From 1 July 2016, 209 contracts with 194 providers will have been redesigned based on what is most appropriate for the market structure, the services being purchased and the desired results. This represents 27% of the contracts due for renewal as at 1 July 2016. The number of redesigned contracts is small at this stage because we are still developing elements of the contract redesign tool.
- 8 Traditionally, contracting arrangements have been standardised, with little scope for taking into account the number or type of providers available, or the nature of the results being sought. Once it is fully implemented, the contract redesign under the

Strategy will mean that contracts will no longer be "one size fits all". Instead, contracts will be appropriate for the type of service, the goals or results being sought, the relevant client groups and the relevant level of service intensity. The contract redesign work has drawn on ideas and models from the Productivity Commission's report *More Effective Social Services*.

- 9 Elements of contract redesign include shifting from outputs to results; from prescriptive standardised units of service to ones that are tailored and flexible and more relevant for the services being purchased. There will be options to structure payments to reward the achievement of milestones and results and to respond to changes in demand during the year. The redesigned contracts will also include consideration of how services are priced and whether they are fully funded or part-funded by the Ministry.
- 10 For example, we have redesigned the contract for specialist behaviour services, to allow the provider to decide how many sessions each client needs (based on an assessment) rather than giving each client the same number of sessions (as would have been contractually required previously). We have also introduced an 'at-risk' component in the contract, where extra funding is supplied for each client who completes the course, as research shows that clients that complete the full behavioural services intervention have more positive outcomes in the long term.

From 1 July we will have developed a tool for deciding how we go to market for different services

- 11 From 1 July 2016, when we go to market to purchase services, the method will be based on a systematic analysis of the market and an appropriate market strategy. This is because different procurement processes and tendering options are appropriate for different market conditions. These range from going to the open market, particularly where the services being sought are well-defined and there are many potential providers, to more targeted approaches such as limited or selected tenders and direct negotiations.
- 12 Tailoring the procurement approach to the market and the services being sought will be more efficient, create transparency for providers on the funding dedicated to a certain result, and therefore more effective service provision.
- 13 Having a better understanding of the market and the service sector will enable us to involve providers early in the contract design process, where appropriate. This will include opportunities to co-design contracts with the sector (again, where appropriate).
- 14 We have been trialling the co design approach with Budget Services by involving providers from all around New Zealand in an in-depth service and procurement co-design process aimed at getting services that work for communities in the most efficient and effective manner.

Results measures will be included in contracts covering over 23% of funding in the Community Investment Strategy

- 15 From 1 July 2016, there will be results-based performance measures in 133 contracts or grants which cover more than 23% of Strategy funding. These are listed in Table One (below):

Table One: Services with results-based measures in contracts

Service with results based measures and client level data in contracts	F16 Appropriation \$m	No. of F16 Provider Contracts
Family Start	s 9(2)(ba)(ii) Commercially sensitive	34
Early Start		2

Social Workers in Schools	s 9(2)(ba)(ii) Commercially sensitive	43
Youth Workers in Secondary Schools		8
Multi Agency Support Services in Secondary Schools		8
Harmful Sexual Behaviour community based treatment programmes.		3
Children's Health Camps (STAND)		1
SKIP (client level data will not be collected for SKIP as it is not implemented with individuals)		34 grants
Total		133 contracts/grants

- 16 The results-based performance measures will provide a structure for measuring the effectiveness and efficiency of the services being delivered. Information from providers will tell us about the numbers and type of people accessing the service and how many are achieving the desired results. We will test the effectiveness and efficiency measures that will be in contracts from 1 July 2016 in order to ensure they tell us what we need to know in terms of return on investment.
- 17 The new approach may mean a greater level of reporting for some programmes and providers, but will also mean that providers will have better information on their clients' results and be able to track the progress of clients who have complex needs and are accessing multiple services. This will help us and the providers understand the collective impact on clients and build a system of continuous improvement in the quality of services.
- 18 Over time, the improved information on results and performance will enable us to make better decisions about the programmes and services that will make the most difference for vulnerable individuals and whānau.

Client level data will be included in contracts covering 23% of funding in the Community Investment Strategy

- 19 From 1 July 2016, the contracts listed in Table One (excluding grants for SKIP) will include requirements to collect data on individual clients. This is to enable us to learn more about what works for different types of clients and groups of clients.
- 20 Access to information that identifies individuals will be very tightly managed and requirements for clients to consent to the sharing of their information between providers will be rigidly adhered to. The Privacy Commissioner's Office has been kept informed of the changes.
- 21 Aggregated statistical information on clients will be more widely available for use by providers. We are trialling a data capture portal to collect this data from providers.
- 22 By collecting information on clients, and then assessing the effectiveness of different providers and programmes in achieving results for clients, we will have the basis of a system that can:
 - track results for individual clients (and cohorts of clients) in a meaningful way - first through the Results Measurement Framework, and eventually through data matching.
 - build an evidence base about who is accessing our services, where, and what works for different types of client cohorts.
 - enable effective practice to spread, and foster innovative new solutions through the shared measurement of results for different client cohorts.

Certain contracts will include clearer protections and we will have improved processes for managing provider issues

- 23 We are confident that the changes that we are introducing to our contracts will result in improved service delivery and improved outcomes for clients. The increased flexibility and ability to innovate does, however, need to have some counter-balance in the form of strengthening the Ministry's ability to intervene if there are problems.
- 24 Therefore, where appropriate, contracts will have step-in clauses that will improve the Ministry's ability to ensure service continuity in the event that the provider fails to deliver. Step-in clauses allow the Ministry to literally step in and provide some or all of the services themselves (or hire a third party to do so).
- 25 These clauses will be included in contracts for services where continuity of delivery is of paramount importance, e.g. Child, Youth and Family residential services. They will only be exercised when absolutely necessary. We are still gathering information on which contracts should have step-in clauses.
- 26 In addition, we are strengthening the processes by which we manage provider issues and remedial action will be strengthened so that we have clearer pathways for intervening when service delivery or provider issues become a problem. These improved processes will mean that we deal with issues and risks in a more timely, consistent and transparent manner, resulting in less disruption for providers and their clients.

We will continue to progressively implement improvements to all contracts and services by July 2018

- 27 The Strategy is not intended as a quick fix, and so it has taken time to design and set up the infrastructure and to progress the new arrangements. Because the system is complex and because it involves new ways of working with providers, the implementation of the Strategy is being done in stages.
- 28 Work will progress in an exponential manner. The numbers of providers and contracts that are changed as a result of the Strategy will accelerate sharply over the next two years, until 100% are operating under the new system by July 2018.

File ref: REP/16/3/238

From: s 9(2)(a)
Sent: Wednesday, 30 March 2016 12:56 p.m.
To: s 9(2)(a)
Cc:
Subject: 2016-03-30 Cab Paper Update on second tranche of line-by-line reviews - post Ministerial Consultation (2)
Attachments: 2016-03-30 Cab Paper Update on second tranche of line-by-line reviews - post Ministerial Consultation (2).docx

Hi guys,

Generally fine, but have made a small number of changes or comments non pages 1, 2, 3, 5 and 7.

If you can get these changes sorted I'll get it to the Minister straight away. Feel free to call if you need to check anything out,

s 9(2)(a)

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Section 9(2)(a) Privacy of Natural Persons

From: s 9(2)(a)
Sent: Thursday, 2 June 2016 9:23 a.m.
To: s 9(2)(a)
Subject: FW: URGENT Community Investment Strategy update report for Tolley
Importance: High

From: s 9(2)(a)
Sent: Wednesday, 30 March 2016 12:42 p.m.
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Hi, can I urgently please have the paper edited. Given decisions need to be made today to ensure Minister Goodhew can lodge her paper -

Can we remove all content except the information concerning:

1. the decision to exit the Wellness Centre and
2. the decision to roll over the CYF contracts for 1 year.

(The removed information can go to the Minister as noting in a future paper.)

I'll call, cheers s 9(2)(a)

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Good morning s 9(2)(a)

Please see the attached report, just signed off by Murray, which will be over in this morning's bag.

Kind regards,

s 9(2)(a) Child, Family & Community Policy
Ministry of Social Development | Te Manatū Whakahiato Ora

s 9(2)(a)

MSD Purpose:

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Ko tā mātou he whakamana tangata kia tū haumarū, kia tū kaha, kia tū motuhake.

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From: s 9(2)(a)
Sent: Thursday, 24 March 2016 3:21 p.m.
To: s 9(2)(a)
Subject: CI Cab paper
Attachments: 20160324133747553.pdf

Hi s 9(2)(a)

Please find attached Minister Goodhew's comments and questions on the draft paper.

Regards,

s 9(2)(a)

-----Original Message-----

Out of Scope

-----Original Message-----

From: s 9(2)(a)
Sent: Thursday, 24 March 2016 2:38 p.m.
To: Hon Jo Goodhew <Jo.Goodhew@parliament.govt.nz>
Subject:

This E-mail was sent from "RNPDE0062" (Aficio MP C2500).

Scan Date: 24.03.2016 13:37:47 (+1200)

Queries to s 9(2)(a)

From: s 9(2)(a)
Sent: Wednesday, 30 March 2016 12:56 p.m.
To: s 9(2)(a)
Cc:
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Report

Date: 4 March 2016 **Security Level:** IN CONFIDENCE
To: Hon Jo Goodhew, Associate Minister for Social Development
Cc: Hon Anne Tolley, Minister for Social Development

Community Investment Strategy: Implementation to June 2016

Purpose

- 1 This paper provides you with an update on the Community Investment Strategy priorities and timeframes to June 2016. It sets out the recommendations of the line by line review of programmes and services to date, and their proposed treatment.

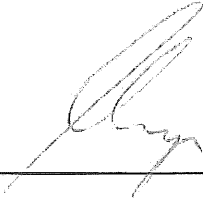
Recommended actions

It is recommended that you:

1. **Note** that our priorities over the next three to six months reflect our main focus on the smooth communication and implementation of changes to provider contracts starting from 1 July 2016. Yes / No
2. **Note** the summary of completed line by line reviews to date, and our recommended treatment as detailed in Appendix One. Yes / No
3. **Note** that where we are proposing exits from programmes and services we will provide you with detailed information for your decision by 11 March 2016, including how we will manage the exits to minimise impact. Yes / No
4. **Note** that, pending the decision referred to in recommendation 3 above, we will provide a paper about exits from programmes and services for your consideration by 15 March, to present at the Cabinet Social Policy Committee (SOC) on 30 March. Yes / No
5. **Note** that we are rolling over provider contracts from 1 July 2016 as detailed in Appendix One. Yes / No

~~6. **Note** that we will provide a separate paper to Minister Tolley (copied to you) about rollover of provider contracts associated with services to support Child Youth and Family, and the Children's Action Plan. Yes / No~~

7. **Note** that, while there are other priority work programmes that will have an impact on some programmes and contracts from 1 July 2016 and we will keep you briefed on these impacts, our focus in this paper is on priorities you are responsible for. Yes / No



Murray Edridge
Deputy CE, Community Investment

Date

15/08/2016

Hon Jo Goodhew
Associate Minister for Social Development

Date

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We are making good progress in implementing our three-year change programme

- 2 We have made good progress on the first stages of the three year implementation of the Community Investment Strategy (the Strategy). The next three to six months will see the work to date impacting on contracts. The main focus for this period is on ensuring the smooth implementation and communication of changes to provider contracts starting on 1 July 2016.
- 3 We have revised and updated Strategy priorities for the period to the end of June 2016. Our priorities are:
 - Line by Line Review and Service Redesign
 - Results Measures and Client Data Collection
 - Redesign of Contracts
 - Contract Management
 - Communications
 - Community / Stakeholder Engagement
 - Provider Capability
 - ICT.
- 4 The focus of this paper is on priorities that you are responsible for. There are other work programmes that will impact on implementation of the Strategy over time¹. We will keep you briefed on these impacts.

Line by Line Review and Service Redesign

- 5 We have completed line by line reviews for over 50% of the Strategy funding. Over the period to the end of June 2016 we will complete the last tranche of line by line reviews. We are also acting on decisions already made to date about services with completed reviews.
- 6 Appendix One outlines:
 - our summary of line by line reviews of programmes and services completed to date (October 2015 and December 2015 tranches), as well as the line by line reviews of programmes and services still pending
 - how we recommend treating these programme and services
 - what change is expected by 1 July 2016
 - what decisions are required from you.
- 7 We have grouped recommendations into four categories, listed below.
 - A. **Exit:** We recommend exiting the contracts for programmes and services currently delivered by 16 providers, valued at \$388,810. We will provide you with detailed information about these exits for your decision by 11 March 2016. Subject to your approval, we will provide you with a draft paper for your

¹ Children's Action Plan (Minister Tolley); Whānau Ora transfers (Ministers Tolley and Flavell); Ministerial Group on Family Violence and Sexual Violence (including the line by line reviews of these services) (Ministers Tolley and Adams); Review of Ministry of Youth Development programmes (Minister Kaye); The line by line review of services to support Child, Youth and Family (Minister Tolley).

consideration by 15 March to present at the Cabinet Social Policy Committee (SOC) on 30 March. If approved, exit would be from 1 July 2016.

- B. **Continue:** Of the line by line reviews completed that are under your mandate, \$51,050,187 in programmes and services have been assessed as being aligned to the Strategy priority results, are effective, and are targeted at vulnerable people or require modification to enable this.

Where appropriate and feasible, we are looking to implement result based measures and client data collection for these services in provider contracts from 1 July 2016.

- C. **Subject to other work programmes:** Line by line reviews have been completed for \$108,849,453 in programmes and services under the delegation of other Ministers and are subject to the Children's Action Plan, transfer to Whānau Ora, Ministry of Youth Development, and some of the services under the Ministerial Group on Family Violence and Sexual Violence (with some still pending).

Where appropriate and feasible, we are looking to implement result based measures and client data collection for these services in provider contracts from 1 July 2016.

- D. **Other:** Programmes and services valued at \$133,666,768 still require line by line review, or further policy review, evaluation results, and/or decisions from other Ministers. The focus for you for the remaining line by line reviews will be contributory and regional funding². We will report to you by the end of May on the outcomes and next steps.

- 8 For those programmes and services where -
- decisions have yet to be made
 - they are subject to other work programmes that are still underway
 - modifications to services have yet to be completed
- we are rolling over provider contracts from 1 July 2016. These are individually detailed in Appendix One.
- 9 We will provide a separate paper this month to Minister Tolley (copied to you) about the rollover of provider contracts for services to support Child, Youth and Family, and any rollover of provider contracts for services associated with the Children's Action Plan.

Results Measures and Client Data Collection

- 10 We are currently developing results based performance measures aligned to the Results Measurement Framework for the programmes and services listed below (this will be largely complete by the end April).
- 11 We will implement these together with client data collection in targeted provider contracts starting from 1 July 2016. These contracts comprise 23.5% of Strategy funding.

² We will also be completing line by line reviews of family violence and sexual violence services, as well as services to support Child, Youth and Family.

Programme or Service ³	F16 Appropriation	No. of F16 Provider
	\$m s 9(2)(ba)(ii) Commercially sensitive	Contracts sensitive
Family Start		34
Early Start ⁴		2
Social Workers in Schools		43
Youth Workers in Secondary Schools		8
Multi Agency Support Services in Secondary Schools		8
Harmful Sexual Behaviour ⁵ community based treatment programmes.		3
Children's Health Camps (STAND)		1
SKIP ⁶		34 grants
Total		133 contracts

Redesign of Contracts

- 12 The significant contractual changes we are introducing reflect the things we are focused on improving – collecting client level data, which will mean we can understand results, and using measures that align to the priority areas for vulnerable children, young people and adults.
- 13 We also intend using different procurement mechanisms across these services to reflect the realities of the 'market' – for example, longer-term contracts for more specialised services, and more competition and shorter terms for less-specialised ones. We will progressively introduce this sophistication into other clusters of services as we work through them.
- 14 From April to June, our contract redesign tool will be tested using a mix and match approach. This will include the way the service is purchased, priced and procured, and what the agreement arrangements are, such as reporting, contractual mechanism, length and contractual clauses.
- 15 It is intended that the contract design tool will be used in on-going continuous improvement of contracts. Contractual components will be applied or tested against the tool to determine if the contract design can be improved to achieve a specified result. As we move towards contracting for better results the tool will be continuously refined and adapted to remain fit for purpose.
- 16 We are also considering potential new or amended clauses to support best management of contracts and protect service provision and client data, such as:
 - Step In Rights, which could provide the Ministry with the ability to assume control of the provision of some or all of a providers services, as an alternative to termination of the contract.

³ PAFT and Strengthening Families were originally included in this table, but are now subject to Cabinet decisions under the Children's Action Plan.

⁴ Early Start is very similar to Family Start, and has a strong evidence base. Family Start's line by line review outcomes and results measures will form the basis for work on Early Start.

⁵ Harmful Sexual Behaviour services has not yet had a line by line review. However, these services are a high priority, and the sector has done considerable work already on moving to result based measures.

⁶ There will be no client level data collection for SKIP, since it is not implemented with individuals.

⁷ 23.5% of F2016 Strategy funding.

- Inclusion of provisions which provide the Ministry with legal rights to require co-operation on disengagement – specifically around the transition of services and the transfer of any data, including client records relating to the service.
- Tightening clauses around reporting, including options for the Ministry to request additional reporting or changes to reporting requirements.
- Audit rights.
- Enhancing rights to require remedial action through a formal remedial plan.
- Tightening of clauses around financial consequence in circumstances where the Ministry has concerns about the solvency of the provider or its ability to deliver services.

Contract Management

- 17 There are over 700 provider contracts expiring on 30 June 2016. Additionally, significantly more⁸ will need to be varied to account for changes made as a result of the Strategy. This will require careful management, communication and an understanding of the risks for providers.
- 18 Changes requiring a contract variation include any changes to funding amounts, volumes, scope of funding, inclusion of new results based performance measures, and changes to contractual clauses including the capture of client level data and amended escalation clauses or Step in Rights.
- 19 Because of the large number of changes to provider contracts this year we will adopt a flexible provider by provider approach to contract renewal. We have identified contracts that contain services that we can roll over and will communicate with these providers as early as possible.
- 20 While rolling over contracts we are continuously modifying / targeting and seeking to improve provider performance to better meet our Strategy focus and the needs of the most vulnerable.

Communications

- 21 Our communications will be targeted to ensure that providers receive clear and relevant information on a regular basis, and as early as possible where they are impacted by decisions. The main focus now is to effectively communicate with providers about the changes they will see in their contracts starting from 1 July 2016.
- 22 s 9(2)(g)(i) Free and frank advice
- 23 Where possible and in line with best practice we intend to communicate with providers before the end of March 2016, in order to give 90 days' notice of changes. We may in some cases be required to reduce this notification period, due to timing of decisions. In these instances, we will still be in a position to give more than 60 days' notice to providers (over twice our legal requirement of 30 days).
- 24 We will take a tailored approach to communications at a service and provider level, taking into account the impact on the provider s 9(2)(g)(i) Free and frank advice

⁸ Actual numbers will be dependent on decisions made between now and March.

25 s 9(2)(g)(i) Free and frank advice

- 26 We are also mindful of the fact that many providers deliver more than one programme, and are factoring this into our communications planning and risk assessment.
- 27 Alongside, we are making sure that conversations with providers are set within the wider Community Investment Strategy context, with an update of our online content and resources.
- 28 Key milestones over this period include:
- By mid-March our online content and resources will be updated to reflect our progress in implementing the Strategy.
 - Where possible, by 31 March providers will be notified or updated about changes to their 2016/17 contracts.
 - Further notifications will be given to providers in April 2016, pending Cabinet decisions around exits from providers' contracts.
 - In May any additional announcements will be made as necessary, following budget decisions.

29 s 9(2)(g)(i) Free and frank advice

Community and Stakeholder Engagement

- 30 Our approach to stakeholder engagement is to *inform* stakeholders about the Strategy; *involve* them through sharing data and receiving information about priority populations; and *collaborate* using the Strategy as a framework to develop shared plans for investment to support vulnerable people.
- 31 Specifically this has included revitalising the Regional Community Response Forums (the Forums) to work alongside the Ministry with the implementation of the Strategy. We are working with the Forums and other relevant groups and organisations to inform our funding planning and to communicate with our stakeholders. Where possible we will be communicating significant decisions to the Forums in advance of our wider communications.
- 32 Our ability to achieve broader engagement with all NGOs and communities is, unfortunately, limited for this funding planning round and we have warned NGO representative groups and the Forums that this is the case. We will be able to have much more effective funding planning engagement for subsequent funding rounds.
- 33 As you know, we need to renew membership of the Forums. We will provide you with nominations for Forum membership for the next three years in mid-March, and seek your approval of these.

Supporting provider capability to be able to achieve and report on results

- 34 Our work on provider capability aims to support providers to be sustainable, and to achieve and report on results.

- 35 ~~Over March and April 2016 we will begin roll out of the remaining Capability Investment Resource (CIR) funding. This will focus on the provision of training and support for targeted providers – assisting them to achieve and report on results, through strengthening organisational strategic governance, including knowledge and awareness of what it takes to identify, understand and report on outcomes.~~
- 36 We are also developing a comprehensive longer term provider capability strategy to support providers to focus on 'what works'. For example improved design of services for clients, evaluation of those services and reporting on client results. This is in partnership with Superu, and we will be reporting back to you in June on our intended approach.

ICT Infrastructure

- 37 Between now and 1 July 2016 we are working with our current service provider (IBM NZ Ltd) to trial and implement a data capture portal. This will allow us to collect and analyse client data and results from providers across a selection of the services⁹ that will have results based measures and client data in place from July.
- 38 The work will include ensuring that any potential data security and privacy issues are identified and mitigated. We want a system that is efficient for the Ministry, and minimises compliance for providers.
- 39 What we learn from the trial over the next several months will help to inform a business case that confirms requirements and options. We will provide you with a briefing on this in June 2016.

Your focus until June 2016

- 40 A timeline summarising the Strategy priorities and key deliverables over this period, including where your focus is required, is attached as Appendix Three.

Appendices

Appendix One (separate document) *Line by Line Review – Summary of recommended funding programme treatment*

Appendix Two (follows) *Communications Approach and High Level Key Messages*

Appendix Three (separate document) *Community Investment Strategy – Work programme milestone requirements*

File ref: RER/16/2/148

s 9(2)(f)(iv) Active consideration

Appendix One

Line by line review - Summary of recommended funding programme treatment

Programme category	Recommended treatment	Total value
<p>Category A: Exit (contracts and/or funding categories) Programmes and services that are:</p> <ul style="list-style-type: none"> not aligned to the Community Investment Strategy priority results; or not effective. <p>These include:</p> <ul style="list-style-type: none"> <i>National Umbrella Groups and Programmes (5 contracts, \$242,200)</i> <i>Family and Crisis Counselling (3 contracts, \$67,445)</i> <i>Information and Advice (8 contracts, \$79,165)</i> 	<p>Exit contracts as at 30 June 2016. Notifications will depend on timing of Cabinet decisions.</p>	<p>\$0.39m (contracts identified for exit)</p> <p>\$3.02m (appropriation of included programmes)</p>
<p>Category B: Continue (with modifications as required) Programmes and services that:</p> <ul style="list-style-type: none"> are aligned with Community Investment Strategy priority results; or are effective; or require minor or moderate modifications. 	<p>Continue contracts from 01/07/16, with refocused service design, results measures and contract design, with 23.5% of Strategy funding to have these in place from 1 July 2016.</p>	<p>\$55.62m</p>
<p>Category C: Subject to other work programmes Programmes and services that are subject to other work programme decisions including:</p> <ul style="list-style-type: none"> Children's Action Plan (Minister Tolley) Whanau Ora transfers (Ministers Tolley and Flavell) Ministerial Group on Family Violence and Sexual Violence (Minister Tolley, Minister Adams) Review of Ministry of Youth Development programmes (Minister Kaye) 	<p>Manage programme and contract changes in line with relevant work programme.</p> <p>Or -</p> <p>While this work is undertaken, roll over existing contracts, pending work programme outcomes.</p>	<p>\$117.77m</p>
<p>Category D: Other Programmes and services that require</p> <ul style="list-style-type: none"> line by line review still underway, or further policy review, evaluation results; and/or decisions from other Ministers. 	<p>Undertake line by line review or further MSD review, including policy review, and/or seek decisions from relevant Ministers.</p> <p>While this work is undertaken, roll over existing contracts, pending work programme outcomes.</p>	<p>\$128.12m</p>
<p>Total funding</p>		<p>\$301.90m</p>

Summary of Recommendations:

Category	Programme	Commercially sensitive Number of Providers affected ¹	Recommended treatment	Change expected by 1 July 2016	Decision required by Minister Goodhew
A: EXIT					
1.	Parents Centres	1	Exit contract as not aligned to Strategy or well-targeted, and not relevant for Maori/Pacific. Complete risk assessment and consider where best to re-target funding.	Exit from 1 July 2016	Yes - Exit. We will provide you with detailed information for your decision on 11 March, prior to a draft Cabinet paper on 15 March.
2.	Sector Umbrella Groups – 2 contracts only; Hui E and National Council for Women	\$189,854 – exiting in 30/06/16	Exit two providers as not effective or aligned to Strategy Continue NZ Christian Council of Social Services, Community Networks Aotearoa and Social Services Aotearoa Review remaining 14 providers by April 2016.	Exit from two providers 1 July 2016. Rollover of remaining providers from 1 July 2016	Yes – partial EXIT We will provide you with detailed information for your decision on 11 March, prior to a draft Cabinet paper on 15 March. Note - We will provide further advice on the 14 remaining providers by May 2016. Note – contract rollover of remaining 14 pending review.
3.	§ 9(2)(f)(iv) Active consideration	§ 9(2)(f)(iv)			
4.	Regional Contributory Funding - Family and Crisis Counselling – 3 contracts only.	3	Exit contracts as services not well targeted or aligned to priorities, providers may not be well connected, may be capability issues.	Exit from 3 providers from 1 July 2016	Yes – partial EXIT We will provide you with detailed information on these 11 providers on 11 March, prior to a draft Cabinet paper on 15 March.
5.	Regional Contributory Funding - Information and Advice – 8 contracts only	8	Exit contracts as services delivered do not meet CIS priorities and providers are not obviously suitable for transfer to Family Support or Counselling funding categories.	Exit from 8 providers from 1 July 2016	
B: CONTINUE					
6.	SKIP (Strategies for Kids, Information for Parents)	26	Continue with modifications to better target vulnerable communities.	New result measures in place from 1 July 2016	Note –continue with modifications.
7.	§ 9(2)(f)(iv)	§ 9(2)(f)(iv)			
8.					
9.	Increasing Financial Capability (Budgeting Services)	165	Continue with modifications in line with findings of financial capability service redesign.	Rollover as at 1 July 2016 already approved. New contracts with results measures in place from 1 November 2016	Decisions made Dec 2015. Decisions re new service model and the procurement approach required March and June 2016
10.	Community Finance (Financial Capability)	0	Continue in context of financial capability service redesign.	Rollover contracts from 1 July 2016 New contracts with results measures in place by 1 November 2016	Note –continue in context of financial capability service redesign. Note contract rollover as at 1 July 2016.
11.	Regional Contributory Funding - Family and Crisis Counselling	180	Continue with modifications to better align with Community Investment Strategy priorities and targeted populations (in conjunction with the Family Support funding programme). Review range of services required, noting alignment of some services with Family Violence Sexual Violence work programme ² .	Rollover contracts from 1 July 2016 pending modifications.	Note –continue with modifications. (noting exits already described above) AND Note – some services will be aligned with Family Violence and Sexual Violence work programme (Ministers Tolley and Adams decision) Note contract rollover pending modifications.

¹ Individual providers may be contracted under more than one programme.

² NOTE that figures for Appropriation and providers affected in this category include those recommended for Exit as per summary table.

Category	Programme	Number of Providers affected ³	Recommended treatment	Change expected by 1 July 2016	Decision required by Minister Goodhew
12.	Regional Contributory Funding - Information and Advice	43	Continue and transfer this funding category and move funding and contracts into the Family Support and Crisis Counselling programmes as one bigger funding pool. Modify to better align with Community Investment Strategy priorities and targeted populations ³ .	Transfer funding category from 1 July 2016. Rollover contracts from 1 July 2016 pending modifications.	Note –continue with modifications and transfer funding category (noting exits already described above) Note contract rollover pending modifications.
13.	Refugee and Migrant Services	3	Continue and transfer this funding category and move funding into Family Support and Counselling funding pool. Modify to better align with Community Investment Strategy priorities and targeted populations.	Transfer funding category from 1 July 2016. Rollover contracts from 1 July 2016 pending modifications.	Note – continue with modifications and transfer funding category Note contract rollover pending modifications.
14.	Support for Food in Schools	2	Continue. Evaluation pending during 2016.	No change	Note – continue. Evaluation pending during 2016.
15.	Parenting Programme (Toolbox)	1	Continue with modifications to align with Community Investment Strategy priorities.	Rollover contracts from 1 July 2016	Note – continue with modifications
16.	Teen Parents	23	Continue while a Policy Review is completed in the second half of 2016.	Rollover contracts from 1 July 2016	Note contract rollover pending modifications. Note - continue pending policy review
17.	Teen Parents (supported housing)	8			Note contract rollover pending policy review
18.	Youth Social Media Innovation Fund	1	Continue noting pending evaluation by June 2016.	Rollover contracts from 1 July 2016	Note – continue pending evaluation.
19.	Children's Health Camps (STAND)	1	Continue with modifications and improved reporting data. Consider evaluation.	New results measures and realigned data from 1 July 2016	Note contract rollover pending evaluation. Note – continue with modifications, and evaluation under consideration.
C: Subject to other work programmes					
a) Children's Action Plan (Minister Tolley)					
20.	Family Start	34	Continue and expand. Refocus to support and complement Children's teams.	New result measures in place from 1 July 2016	Subject to Cabinet decisions (Minister Tolley).
21.	s 9(2)(f)(iv)	s 9(2)(f)(iv)			Note we will write a separate paper to Minister Tolley about any contract rollovers.
22.	Strengthening Families	109	Significant modification or exit with funding reallocated to support Children's Teams.	Subject to Cabinet Decisions.	
23.	PAFT (Parents as First Teachers)	26	Significant modification with funding reallocated to support Children's Teams.	Subject to Cabinet Decisions.	
b) Whanau Ora Transfers (Ministers Tolley and Flavel)					
24.	Youth at Risk of Offending – Wrap Around Services	1	Transfer to Whanau Ora	From 1 July 2016 (TBC)	Subject to Cabinet decisions (Ministers Tolley and Flavel)
25.	Family Service Centres	7	Transfer to Whanau Ora	From 1 July 2016 (TBC)	
26.	Early Years' Service Hubs	14	Transfer to Whanau Ora	From 1 July 2016 (TBC)	
27.	Whanau Toko I Te Ora	1	Transfer to Whanau Ora	From 1 July 2016 (TBC)	
28.	Youth Gangs - Breakthru	9	Transfer to Whanau Ora	From 1 July 2016 (TBC)	
29.	Te Punanga Haumarua	9	Transfer to Whanau Ora	From 1 July 2016 (TBC)	
c) Family Violence and Sexual Violence (Minister Tolley)					
30.	Family Centred Services Fund	105	Continue pending outcomes of Family Violence Sexual Violence Ministerial Work Programme.	Rollover contracts from 1 July 2016	Subject to FVSV Ministerial Work Programme (Ministers Tolley and Adams)

³ NOTE that figures for Appropriation and providers affected in this category include those recommended for Exit as per summary table.

Category	Programme	Number of Providers affected	Recommended treatment	Change expected by 1 July 2016	Decision required by Minister Goodhew
31.	Refuge Accommodation and/or Support	17	Continue contracts pending outcomes of Family Violence Sexual Violence Ministerial Work Programme.	Rollover contracts from 1 July 2016	Contract rollovers from 1 July 2016 already approved
32.	It's Not OK Campaign	17	Continue pending outcomes of Family Violence Sexual Violence Ministerial Work Programme.	Rollover contracts from 1 July 2016	
33.	Family Violence response Coordination Fund	37	Funding ceases as at 1 July 2016.	N/A	Advice provided to Minister Tolley on future options for the Fund.
34.	Other FVSV related programmes (line by line review expected by May 2016): HSB Community Based Treatment Programmes; Sexual Violence Support Services; Refugee - Crisis intervention social work support to rural families affected by family violence; Refugee - Specialist child centred counselling for child victims of, or witness to family violence; Elder Abuse and Neglect Prevention; E Tu Whanau Violence Prevention; Pacific Response, Community Programmes-Everyday Theatre	103	Line by line review still pending.	Rollover contracts from 1 July 2016	Subject to FVSV Ministerial Work Programme (Ministers Tolley and Adams) Note - Line by line reviews still pending. These will be completed as an internal review only, and will contribute to the work of the FVSV/MG Contract rollovers from 1 July 2016 already approved
d) Ministry of Youth Development programmes (Mini:					
35.	Services to Promote Positive Youth Development	156	On hold pending outcome of review (March 2016).	Minister Kaye decision	Minister Kaye decision
D: Other					
36.	Changing Attitudes and Behaviours - Be Accessible (Minister Wagner)	1	Office for Disability Issues review and advice to Minister Wagner (note review currently on hold)	Rollover contracts from 1 July 2016	Minister Wagner decision
37.	SAGES (Minister Barry)	16	Policy review to consider alignment to Elder Abuse work led by Minister Barry.	Rollover contracts from 1 July 2016	Note contract rollover pending decision. Minister Barry decision
38.		s 9(2)(iv)			Note contract rollover pending decision.
39.	Breakaway Holiday Programmes	70	Policy Review to consider future options in latter half of 2016.	Rollover contracts from 1 July 2016	Note - pending policy review in latter half of 2016. Note contract rollover pending decisions. Minister Tolley's decision.
40.	Breakaway Residential Respite Holiday Camps (Minister Tolley)	1	Policy Review and consideration future options in latter half of 2016.	Rollover contracts from 1 July 2016	Note contract rollover pending decisions.

s 9(2)(ba)(ii) Commercially sensitive

Category	Programme	s 5(2)(ba)(ii) Commercially sensitive Providers affected ¹	Recommended treatment	Change expected by 1 July 2016	Decision required by Minister Goodhew
41.	<p>Other Regional Contributory Funding categories (line by line outcomes expected in May 2016): Abuse Prevention Programmes; Supervised structured programmes for youth at risk; Maori Community Initiatives for Youth at Risk; Housing with Support Services; Provider Development and Capacity; Family Support Services (ex FACS); Provision of Children's supervised access; National home for Life services; Home for Life home based social work services; Services for Children Witnessing Family Violence; Support for Family Violence Clients; Family Support Services (ex CYF).</p>	373	<p>Line by Line Review still pending. Note some of these programmes are also subject to the outcomes of the FYSV Ministerial Work Programme, or are services to support CYF, and this will be considered in our overall planning.</p>	<p>Rollover contracts from 1 July 2016 p</p>	<p>Note – line by line review still pending. We will advise you of our recommendations in May 2016. Note some of these programmes are also subject to the outcomes of the FYSV Ministerial Work Programme, or are services to support Child Youth and Family, and this will be considered in our overall recommendations</p>
42.	<p>Services to support Child Youth and Family (line by line review expected by June 2016 Caregiver training; Courses and Training; Transition from care to Independence; Gateway, Services for Children in Care; Bednights, Post Investigation – Support required; Care and Therapeutic Services; Youth Services Strategy; Residential programme for sexual abusers; Harmful Sexual Behaviour services; Fresh Start – Youth Justice; Specialist Youth Services Corps, Youth Justice Health Assessments; Towards Wellbeing; Severe Conduct Disorder; Support packages including respite care, Enhanced Caregiver Support, Blueprint Investment Strategy support for parents, Support Services Post Investigation</p>	225	<p>Line by Line Review still pending.</p>	<p>Rollover contracts from 1 July 2016 pending outcome of line by line review.</p>	<p>Line by line reviews still pending, and will be referred to Minister Tolley for her decision. We will write a separate paper to Minister Tolley about contract rollovers.</p>

Appendix Two: Communications Approach and High Level Key Messages

s 9(2)(g)(i) Free and frank advice

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OFFICIAL INFORMATION ACT